



State of Louisiana

Department of Health and Hospitals
Bureau of Health Services Financing

MEMORANDUM

TO: Medicaid Providers

FROM: Bruce D. Greenstein
Secretary, Louisiana Department of Health and Hospitals

SUBJECT: Supplemental Check Write to Optimize FMAP Rate for Medicaid Program

DATE: Sept. 28, 2012

The Department of Health & Hospitals (DHH) has authorized the State's Medicaid Fiscal Intermediary, Molina, to enact a special mid-week claims cycle run and check write as a money management strategy that maximizes the return for provider payments with the higher Federal Medical Assistance Percentage (FMAP) rate currently in effect.

In July, Congressional action resulted in a decrease to Louisiana's FMAP rate for the new federal Fiscal Year, from 71.92 percent to a projected 65.51 percent – the lowest reimbursement rate Louisiana has had in more than 25 years. One strategy DHH announced in response to this FMAP decrease was to shift provider payments so the State's Medicaid program could optimize claims processing around the higher FMAP rate that is in effect until the start of the federal Fiscal Year on Oct. 1, 2012.

To do this, Molina enacted supplemental claims processing and had a special check write on Wednesday, Sept. 26 for all Medicaid providers who had submitted claims to the system, including long-term care providers. This check write is in addition to the regularly scheduled weekly check write that occurred on Tuesday, Sept. 25. The supplemental claims cycle included all claims pending in the system, as well as claims submitted from Friday, Sept. 21 through Tuesday, Sept. 25 by noon. If providers submitted claims that were processed in both the regular and supplemental cycles, these providers might receive two regular payment register (RA) notices for the week of Sept. 24.

Providers should be aware that because there was a supplemental check write, their claims payments in the Oct. 2 check write will be less than usual because some of their claims will have already been paid in the special check write. Providers are advised to take this into consideration for their own internal business practices and accounting procedures.

Any questions can be directed to Molina Provider Relations at 1-800-473-2783 or 225-924-5040.

BDG/kms